GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Loans – APIIC Ltd – Sanction of an amount of Rs.47,44,74,000/- towards assistance to APIIC for payment of interest on the amount deposited in the PD Account – BRO issued - Administrative sanction accorded - Orders - Issued.

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INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.RT.No. 204 Dated: 18-07-2018

Read the following:

Read: 1.G.O.Ms.No.83, Ind & Com (Infra) Dept, dt.0 6.06.2017.
2.G.O.Ms.No.125, Ind & Com (Infra) Dept, dt.14.09.2017.
3.From the VC & MD, APIIC Ltd., Vijayawada Single File No.APIIC/FW /BANKLOANUTILISATION/2017-18, dt.15.05.2018.
4.From the VC & MD, APIIC Ltd., Vijayawada Lr.No.APIIC/FW/Loan from banks for LA/2017-18, dt.18.06.2018 addressed to the Spl.Secy to Govt, Fin Dept
5.G.O.Rt.No.1312, Finance (FMU-IND.,COMMERCE & REVENUE) Department, dt.20.06.2018.

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ORDER

In the reference 1st read above, orders were issued granting Government guarantee for the principle amount of Rs.2,000 Crores and interest accrued thereon including moratorium period separately in favour of Bank of India, Canara Bank & Union Bank of India duly replacing the Government guarantee issued in favour of HUDCO vide G.O.Ms.No.189, Ind & Com (Infra) Dept, dt.26.12.2016.

2. In the reference 2nd read above, orders were issued permitting the APIIC Ltd., to incur the amount for concession on land cost and for infrastructure facilities to a tune of Rs.450.29 Crores (includes the amount of Rs.28.83 Crores towards Seignorage charges) in respect of M/s.Kia Motors Corporation (KMC) and also to clear the backlog incentives from out of the Government guarantee amount of Rs.2,000 Crores.

3. In the reference 3rd read above, the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., A.P., Vijayawada has submitted proposal to avail the interest component amount on the available loan amount of Rs.1,480.00 Crores deposited in the P.D. A/c of APIIC. But APIIC has availed meagre amount from the loan amount sanctioned by Bank of India and Canara Bank to keep the sanction orders in force / live and invested certain amount for short period, out of the balance loan amount of Rs.267.00 Crores available in Union Bank of India. The Spl.CS to Govt (FAC), Fin Dept vide his Lr.No.21025/23/CM/2017, dt.02.01.2018 while noticing that APIIC has utilized Rs.520.00 Crores as on 01.01.2018from out of the Rs.2,000 Crores loan and therefore suggested the APIIC to avail the balance amount of Rs.1,480.00 Crores on or before 03.01.2018 as well as to deposit the same in PD A/c to facilitate ways & means position of Government and the interest payable by APIIC for keeping in the PD Accounts will also be paid by Government. Accordingly, the amount of Rs.1,480.00 Crores was deposited in the PD A/c on 05.01.2018 (Rs.740.00 Cores each in BOI, Canara Bank). As per the opinion of tax consultants the interest on loan from scheduled banks is an allowable expenditure as per the Income Tax Act and it can be claimed in the year in which such interest is actually paid but not on the interest accrued. The monthly interest payable for 04/2018 on the loan amount of Rs.2000 Crores availed from 3 banks is due. As per the communication received from the banks, approximately Rs.15,37,34,791/- is payable towards the monthly interest amount to the three banks for 04/2018. The same was remitted by the APIIC.

4. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., A.P., Vijayawada has therefore requested the Government for transfer of the interest component amount to APIIC towards interest payable which is worked out to Rs.37,44,73,294/-, and the approximate monthly interest of Rs.10.00 Crores for the month of May, 2018 on the loan amounts deposited and lying in PD Account.

5. Government, after careful examination of the matter and in pursuance of the Budget Release Order issued in the G.O. 5th read above, hereby accord Administrative sanction for Rs.47,44,74,000/- (Rupees Forty Seven Crores Forty Four Lakhs and Seventy Four Thousands only) towards assistance to APIIC for payment of interest on the amount deposited in the PD Account.

6. The expenditure sanctioned in para (5) above, shall be debitable to the Head of Account "2875608000017310312" from the BE-2018-19 and is transferable in the Current Account No.013411100003855 of Andhra Bank, Ring Road Branch, Vijayawada (IFSC:ANDB0000134) being maintained by the APIIC Ltd.

(P.T.O.)

7. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., A.P., Vijayawada shall take necessary further action in the matter.

9. This order issues with the concurrence of Finance (FMU-IND., COMMERCE & REVENUE) Department vide their U.O.No.45027/166/I&C/2018, dt.22.06.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd.,
H.No.12B, 59A-8-12B, Guru Nanak Colony Road, Teacher's Colony, Vijayawada-520008.
The Director of Treasuries & Accounts, A.P. Vijayawada.
The Account General, A.P. Hyderabad.
Copy to:
The Finance (FMU-IND.,COMMERCE & REVENUE) Department.
The P.S. to Secretary to Government & CIP, Ind & Com Dept.
SC/SF.

//FORWARDED : : BY ORDER//

SECTION OFFICER